

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2093-01
Bill No.: HB 887
Subject: Licenses - Driver's; Revenue Department; Sunshine Law, Meetings and Records
Type: Original
Date: April 3, 2013

Bill Summary: This proposal prohibits the Department of Revenue from selling or disclosing certain driver record information.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Unknown - Less than \$100,000)	(Unknown - Less than \$100,000)	(Unknown - Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown - Less than \$100,000)	(Unknown - Less than \$100,000)	(Unknown - Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Revenue (DOR)** assume this proposal prohibits the DOR from disclosing personal and driving history information to all entities, including but not limited to, law enforcement, insurance companies, prosecuting attorneys, courts, government agencies, tow companies, media, as well as any other requestor otherwise permitted under the Driver's Privacy Protection Act (DPPA) to receive information unless the information being requested has been voluntarily disclosed to them by an individual.

The proposal further restricts the Department from releasing motor vehicle and driver license information unless the requestor provides verification of the information that was voluntarily provided to the business entity. As such, all requests must be manually evaluated and produced.

The Department's information systems are not capable of redacting partial driving history information based on the information that was voluntarily disclosed to the business entity, without extensive programming. System modifications will be needed to ensure information is not released via the Problem Driver Pointer System (PDPS), the Commercial Driver License Information System, (CDLIS), the Systematic Alien Verification of Entitlements system (SAVE), law enforcement agencies, as well as the printed driving record used by prosecutors in court. The Department will not be able to respond to inquiries received via written correspondence, telephone, or walk in assistance. OA-ITSD estimates extensive programming at approximately 2,000 hours and after reprogramming, it is estimated 672 hours of system testing will be required.

Motor Vehicle and Driver Licensing Division

This proposal could remove the due process notice protections for the following types of title applications and effectively cut the Department's ability to accept such applications:

- Abandoned vehicle title process;
- Mechanic and storage lien title process;
- Law enforcement authorized towing of abandoned vehicles;
- Abandoned mobile home title process.

ASSUMPTION (continued)

If the intention is for the Department to take on these notification requirements, the Motor Vehicle and Driver Licensing Division will require a minimum of three additional FTE. Each of the above statutes will need to be amended to allow the Department clear authority to provide the notices required for due process.

DOR will require an additional unknown number of FTE and related expenses and equipment to comply with the new restrictions of this legislation. Due to the unknown number of requests that will be received and the time it will take to manually evaluate the information that can be released, the administrative impact is unknown.

Taxation Division

DOR assumes this legislation will allow the Department to enter into contracts with private attorneys and collection agencies for the collection of delinquent taxes. It will also allow for the Director of Revenue to call upon circuit attorneys or prosecuting attorneys for assistance in the collection of delinquent taxes. To maintain the current level of collection, the Department will require:

One (1) Revenue Processing Technician I (Range 10, Step L) in Collection Enforcement for every 1,686 accounts eligible for garnishment with CARES equipment;

One (1) Tax Collection Technician I (Range 10, Step L) in the Delinquent Call Center for every 3,250 delinquent accounts with CARES equipment.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the costs related to this proposal. Due to the unknown number of requests that will be received and the time it will take to manually evaluate the information that can be released Oversight will range the cost to the DOR from Unknown to Less than \$100,000.

Revenue Impact

Federal-aid highway funds are subject to withholding if a state is found to be substantially in noncompliance. The first year of noncompliance the sanction is four (4) percent, the second and subsequent years of noncompliance the sanction is up to eight (8) percent of those funds. Potential federal fund loss could be up to \$64,000,000.

ASSUMPTION (continued)

Additionally, if the language proposed in this bill precludes the Department from providing basic taxpayer information to third parties; name; address; social security number, etc. this will impact the Department's delinquent tax collection recovery. In the prior two fiscal years, collection agencies and prosecuting attorneys have collected over \$19.9 million in delinquent taxes.

This legislation would prohibit the Department's Taxation Division from providing information to the IRS, which would jeopardize the federal offset program and our receipt of federal information. This will result in the loss of approximately \$30 million annually.

Oversight assumes Missouri will be in compliance with the mandated provisions and will assign no cost for sanctions.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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GENERAL REVENUE

<u>Cost - DOR</u>	(Unknown - Less	(Unknown - Less	(Unknown - Less
Administrative Cost	than \$100,000)	than \$100,000)	than \$100,000)

ESTIMATED NET EFFECT TO THE GENERAL REVENUE	(Unknown - Less than \$100,000)	(Unknown - Less than \$100,000)	(Unknown - Less than \$100,000)
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<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal prohibits the Department of Revenue from selling or disclosing certain driver record information, including the information found on a person's driver's license, his or her Social Security number, telephone number, email address, driving record, or any medical or disability information except as provided by law.

KC:LR:OD

FISCAL DESCRIPTION (continued)

The department may release information if it is allowed under the federal Driver's Privacy Protection Act to a business to verify information voluntarily provided to the business but must charge a fee to cover only the actual costs necessary to process the request for information. The fee cannot be more than the fees charged for a similar information request under the Open Meetings and Records Law, commonly known as the Sunshine Law. A person alleging the unauthorized release of information may bring a claim against the department in a court of proper jurisdiction for civil damages of up to \$10,000, attorney fees, and injunctive relief.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Revenue



Ross Strobe
Acting Director
April 3, 2013